

This would be a significant departure from the current approach in which the provisioning departments of each purchasing entity within the health care system would coordinate all purchases.

### Privatization

In many federal jurisdictions in Mexico there has been a movement toward the privatization of government services. This trend has not been carried into the medical sector. There does not appear to be an impetus to concession medical services in general. Until a new administration declares its views in this regard, it is difficult to anticipate what the direction will be.

### Budgets

Definitive figures on the total purchases of medical devices and equipment are not available. Conventional wisdom in the market place supports the belief that the national health care system purchases 80 to 90 percent of products sold in this category.

Declining budgets within the federal government and a growing population have had an impact on the type of expenditure being made in the health care system. Emphasis has been placed on:

- the construction of primary health care facilities which service more people; an remodeling and renovating existing facilities rather than new construction; and
- on purchasing used and upgraded equipment and new equipment to a more limited extent.

The private health care system was growing in the early 1990s in Mexico but in view of the economic recession which began in 1993, and has continued through 1994, the private sector purchases are expected to remain stagnant until the economy begins to grow again.

### Footnotes

- <sup>1</sup>Presidential Address, December 1, 1993, pg. 150  
<sup>2</sup>ibid

### Disease Related Care

In the fight against diseases such as polio, tetanus, tuberculosis, brucellosis, rubella, and diphtheria, the public health care system has invested significant resources. It is committed to making continued advances, in the area of vaccination programs for all children under the age of five years. Programs such as *Semana Nacional de Salud* — National Health Week (during the month of October), and *Días Nacionales de Vacunación* — National Vaccination Days, are promoted and supported through the primary care clinics across the country.

Respiratory diseases have noticeably increased, particularly in large urban centres. Related respiratory problems, in children and adults alike, are requiring more attention by medical staff.

Control of cholera is an area which is receiving significant attention given increasing numbers of outbreaks in recent years<sup>1</sup>. There were 43 cases reported in 1993.

AIDS is recognized as a growing problem in Mexico. A number of major centres in the country are reporting increases in the number of diagnosed cases for the period 1992-1993 in excess 100 percent<sup>2</sup>. Nationally it is estimated that the number of known cases increased 88.8 percent in this one year period. Investment in the prevention, diagnosis and care for the population suffering from the disease has begun to increase significantly and is expected to continue to do so for the coming years. Awareness campaigns and telephone hotlines are tools which are being used throughout the country as part of a national familiarization program.

Interviews with surgeons and caregivers in the national health care system and the private system

revealed that more "first world diseases" are being seen in the system such as heart problems, hypertension, cancer, diabetes, and respiratory diseases. This trend is expected to continue as life expectancy increases, the population ages, and disposable income improves. Surgeons also reported an increased number of organ transplants throughout the national health care system. Laparoscopic surgery is also on the increase.

### OPPORTUNITIES IN THE MARKET


The major buyer in the market is IMSS and most companies will focus their marketing emphasis on developing sales to this entity. A number of *Institutos de Especialidades* — Specialized Institutes exist in Mexico and these would include an Institute of Cardiology, the Institute on Nutrition, and the Institute of Pediatrics. All the institutes offer interesting potential for manufacturers of specialty equipment. The larger private hospitals are also attractive as potential customers.

The areas of opportunity include equipment which is used in the treatment of cancer such as alpha beta radiation technology. There is more emphasis being placed on physiotherapy, and the demand for hydrotherapy, electrotherapy and ultrasound equipment is increasing. Respiratory ailments and related problems are expanding, requiring more sophisticated means of treatment. The treatment of heart disease and related complications is growing, thus underscoring the heightened demand for related devices and equipment.

### MARKET ENTRY STRATEGY

In considering the opportunities in Mexico in this sector, it is important

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